POLICY SUMMARY FORM

Policy Name: Expenditure of Higher Education Funds
Policy Number: 3.32
Is this policy new, being reviewed/revised, or deleted? New
Date of last revision, if applicable:
Unit(s) Responsible for Policy Implementation: Vice President for Finance and Administration
Purpose of Policy (what does it do): This policy establishes guidelines covering the allocation, management, budgeting, expenditures, and related restrictions for the appropriate use of Higher Education Funds (HEF) appropriated to Stephen F. Austin State University. These guidelines apply to use of the HEF funds by departments of the university.
Reason for the addition, revision, or deletion (check all that apply): Scheduled Review Change in law Response to audit finding
☐ Internal Review ☐ Other, please explain: New policy
Please complete the appropriate section:
Specific rationale for new policy: Created policy to document guidelines for HEF expenditures and delegated purchasing authority for changes to HEF allcoations.
Specific rationale for <u>each</u> substantive revision:
Specific rationale for deletion of policy: N/A
Additional Comments:
Reviewers:
Judith Kruwell, Interim Vice President for Finance and Administration Damon Derrick, General Counsel

Expenditure of Higher Education Funds

Original Implementation: February 1, 2022

Last Revision: N/A

Purpose

This policy establishes guidelines covering the allocation, management, budgeting, expenditures, and related restrictions for the appropriate use of Higher Education Funds (HEF) appropriated to Stephen F. Austin State University. These guidelines apply to use of HEF funds by departments of the university.

Definition

<u>Higher Education Fund (HEF)</u> - permanent capital funding provided under Article VII, Section 17, of the Texas Constitution. These funds are General Revenue funds that must reside in and be expended from the State Treasury.

General

An annual appropriation of funds under the Texas Constitution to eligible institutions of higher education is determined by the Texas Legislative Budget Board (LBB) for 10-year periods and subject to review and revision at the end of each five years.

The HEF expenditure budgets are determined along with the annual operating budget process and approved by the board of regents annually. Changes to the HEF expenditure budgets are governed by SFASU Policy 1.4, Items Requiring Board of Regents Approval, and are presented to the board or regents at each quarterly meeting.

The university will establish Higher Education Fund (HEF) Guidelines that articulate the purposes for which HEF can be expended, define expenditure categories with indications of HEF eligibility, list examples of HEF eligible expenditures, and explain other restrictions related to the use of these funds.

Cross Reference: <u>Tex. Const. Art. VII, §17;</u> Items Requiring Board of Regents Approval (1.4); Annual Budget Preparation (3.2)

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Associate Vice President for Finance and Administration

Forms: None

Board Committee Assignment: Finance and Audit